oshpd Office of Statewide Health Planning and Development

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Minutes
California Health Policy and Data Advisory Commission
October 24, 2008

The meeting was called to order by Vito Genna, Chair, at approximately 9:35 a.m., at 400 R Street, Sacramento. A quorum (defined as 50 percent plus one) was in attendance.

Present:

Vito J. Genna, Chairperson
Marjorie Fine, MD
Adama Iwu
Jerry Royer, MD, MBA
Sonia Moseley, CANP
Reza Karkia, DBA, ACFEI, CHS-III
Joe Corless, MD, FAAP
Corinne Sanchez, Esq.

Absent:

William Brien, MD
Kenneth Tiratira
Janet Greenfield, RN

CHPDAC Staff: Kathleen Maestas, Acting Executive Director; Terrence Nolan, Office Manager

OSHPD Staff: David M. Carlisle, MD, PhD, Director; Elizabeth Wied, Chief Counsel; Beth Herse, Senior Staff Counsel; Patrick Sullivan, Assistant Director, Legislation & Public Affairs; John Kriege, Acting Deputy Director, Healthcare Information Division; Jonathan Teague, Manager, Healthcare Information Resources Center; Kenny Kwong, Manager, Accounting & Reporting Systems Section; Starla Ledbetter, Data Projects Manager; Mike Nelson, Compliance Auditor, Accounting & Reporting; Kyle Rowert, Supervisor, Hospital Unit; Brian Paciotti, PhD, Research Program Specialist II; Candace Diamond, Manager, Patient Data Section; Holly Hoegh, Manager, Clinical Data Program; Merry Holliday-Hanson, Research Scientist Supervisor I

Also Present: Pamela Lane, California Hospital Association (CHA)

Approval of Minutes: A motion was made by Commissioner Sanchez and seconded by Commissioner Iwu to approve the minutes of the August 22, 2008 meeting. The motion was carried.

Chairperson's Report: Vito Genna, Chair

Chairperson Genna began his comments by noting some of his observations on the interactions of several healthcare facilities on the east coast with family members who have chronic healthcare issues. OSHPD and the Commission deal with numbers and

facts pertaining to healthcare systems; how many people were admitted or how many people were discharged. But whether it is a nursing home, acute care hospital, or homecare, looking for causation factors from data is always complicated by the imperfect nature of the systems and the patients' responses to those systems.

Health Data and Public Information Committee Report: Marjorie Fine, MD, Chair

The last Health Data and Public Information Committee (HDPIC) was a joint meeting held in conjunction with the California Health Policy and Data Advisory Commission (CHPDAC). The HDPIC did not have a quorum at the August meeting and since that meeting, steps have been taken to assure a quorum for future meetings.

The most notable issue for the HDPIC was the reintroduction of glucose as one of the determinates for the new data elements under advisement. After a number of presentations on the data elements being considered by OSHPD, the HDPIC had originally voted not to include glucose because it was seen to have minimal predictive value. At the joint meeting this decision was supported by the Commission's vote to exclude glucose from the list. Agreed with Commission by consensus.

OSHPD Director's Report: David M. Carlisle, MD, PhD

Director Carlisle stated that healthcare reform remains one of the Governor's highest priorities.

The Governor's healthcare reform proposal did not survive review by the Senate Health Committee but recently two elements of that proposal were enacted and signed by Governor Schwarzenegger. The first element was a prohibition against privacy and confidentiality violations, making the existing restrictions and penalties more severe. This comes on the heels of a number of noted violations of patient privacy that occurred throughout California and received substantial media scrutiny and public attention. The second element was a prohibition against balance billing for emergency services.

OSHPD has a new Deputy Director of the Healthcare Information Division, Ron Spingarn. Mr. Spingarn comes to OSHPD from the Managed Risk Medical Insurance Board where he has served as Director of Legislative and External Affairs. Prior to that, OSHPD had worked closely with Mr. Spingarn on healthcare issues when he was a member of Senator Jackie Speier's staff. Mr. Spingarn is very aware of the work that OSHPD's Facilities Division does as well as the work of this Commission, the Health Information Division, and the Health Outcomes Center. Mr. Spingarn will assume the reins of the Health Information Division early in November of this year.

OSHPD has been highly productive within the Division and has a number of reports in the publication queue. A number of these reports will be reviewed at this meeting.

Commissioner Karkia asked how closely the Office works with Herb Schultz and other senior advisors at the Governor's Office and if it would be possible to invite Mr. Schultz to do a presentation on healthcare reform for the Commission.

Dr. Carlisle stated that the Office has worked with Mr. Schultz periodically, but that OSHPD's major contribution to healthcare reform has been primarily in the area of information and transparency. The reports that OSHPD will be releasing shortly speak directly to the Governor's call for increased transparency.

The Office can extend an invitation to Herb Schultz or Richard Figueroa to attend one of the Commission meetings.

Legislative Report: Patrick Sullivan, Assistant Director, Legislation & Public Affairs

This was an unusual year at the Legislature with a lot of time being spent dealing with healthcare reform and the huge budget deficit. The overall inability to get a budget passed on time had a big impact on the Governor's Office's assessment of the bills presented. As a result, the Governor had the highest veto rate in history.

The Governor has indicated that he will call a special "lame duck" session after the election as the State is still facing a significant budgetary crisis.

Legislative overview of bills that impact OSHPD:

AB 3028 (Salas)—authorizes OSHPD to implement new processes and technologies that would expedite the plan review and construction of hospital design projects.
Governor's Action: Sign

AB 13 (Brownley)—requires each general acute care, acute psychiatric, and specialty hospital to adopt and annually review a plan or procedure for determining the staffing of non-nursing professional and technical classifications such as respiratory therapist, radiology, pharmacy and laboratory technicians, and physical therapy assistants.
Governor's Action: Veto

AB 2244 (Price)—requires the Department of Public Health, beginning on January 1, 2010, to establish a procedure for collecting and reviewing the written staffing plans developed by the University of California general acute care hospitals, acute psychiatric hospitals, and special hospitals, and requires the DPH to review documentation from each hospital concerning several aspects of its patient classification plan.
Governor's Action: Veto

AB 2697 (Huffman)—requires a "boutique hospital" to contract with an independent contractor for a study on the impact of the boutique hospital on the health of the community care system, focusing particularly on the financial impact on hospitals in the area served by the boutique hospital. The bill would require these studies to be filed with OSHPD.
Governor's Action: Veto

AB 994 (Parra)—would extend the sunset date of the existing Associate Degree Nursing Scholarship Pilot Program (ADNSPP) from January 1, 2009 to January 1, 2014. ADNSPP would continue to be administered by the Health Professions Education Foundation within OSHPD to provide scholarships to Associate Degree of Nursing

students in the counties determined to have the most need. The program would continue to be funded from the Registered Nurse Education Fund.
Governor's Action: Sign

AB 2439 (De La Torre)—requires the Medical Board to collect a mandatory $25 fee from physicians and surgeons at the time of licensure or biennial renewal to support the Steven M. Thompson Physician Corps Loan Repayment Program. It would also require 15 percent of the funds collected from the additional fee to be dedicated to loan assistance for physicians who agree to practice in geriatric care settings.
Governor's Action: Sign

AB 242 (Nakanishi)—requires a one-time transfer of $500,000 from the Medical Board of California to the Steven M. Thompson Physician Corps Loan Repayment Program.
Governor's Action: Veto

AB 2543 (Berg)—establishes the Geriatric and Gerontology Workforce Expansion Act and establishes three new programs to increase the number of students trained in gerontology or geriatrics and to repay qualifying educational loans of registered nurses (RNs), social workers (SWs) and marriage and family therapists (MFTs) who practice in or agree to practice in gerontology or geriatrics.
Governor's Action: Veto

AB 1379 (Ducheny)—deposits fines and penalties assessed on healthcare service plans by the Department of Managed Health Care into the Medically Underserved Account for Physicians, which supports the Steven M. Thompson Physician Corps Loan Repayment Program.
Governor's Action: Sign

AB 371 (Huffman)—would require every general acute care hospital applying for tax exempt bond financing from the California Health Facilities Financing Authority (CHFFA) or any other public agency, including a joint powers authority, to specifically explain how it will allocate its financial resources for implementing a safe patient handling component of an employee injury prevention program.
Governor's Action: Veto

SB 1221 (Kuehl)—would impose on any local government or joint powers authority (JPA) that provides tax exempt healthcare capital financing the same requirements for analysis of financial feasibility and community benefit that apply to the CHFFA and specifies community benefit criteria to be considered by the debt issuer.
Governor's Action: Veto

SB 1272 (Cox)—increases the Cal-Mortgage Loan Insurance Program loan small borrower loan cap amount from $5 million to $10 million for insurance.
Governor's Action: Sign

Report from the Healthcare Information Division (HID): John Kriege, Acting Deputy Director, HID

- The Healthcare Outcomes Center (HOC) is working towards an early 2009 release date for the second Coronary Artery By-Pass Graft (CABG) report which will contain both hospital and surgeon results. The Clinical Advisory Panel met on September 3rd to consider appeals from five surgeons.

- HOC is also working with OSHPD's Information Technology Systems Section and the MIRCal staff to move towards online submissions of the CABG data set.

- The Accounting & Reporting Systems Section is in the middle of a number of projects to update hospital and long-term care annual financial data reporting systems. The plan is to move to online data submission, similar to other data collection programs, and so the Commission will be seeing some regulation changes for OSHPD reporting requirements for financial data.

- The Patient Data Section previously presented to the Commission regulation changes to implement the reporting of principal language spoken in OSHPD's in-patient, emergency department, and ambulatory surgery data. This also included the reporting of present-on-admission using the national standards set of values and present-on-admission for e-codes. OSHPD anticipates approval of these changes from the Office of Administrative Law by November 14th. OSHPD will start seeing the new present-on-admission reporting in March, 2009 which will represent the second half of the 2008 in-patient data.

- The Healthcare Information Resource Center (HIRC) has a number of products entering publication which have already been presented to the Commission. OSHPD is planning a Data Users Conference for March 2009, with sessions in Northern and Southern California. HIRC is organizing the two events, one in Los Angeles and one in Sacramento, entitled "Putting the Pieces Together" which showcase OSHPD's data products.

- Staff from HOC and HIRC will also be presenting and will have a booth at the American Public Health Association's annual meeting in San Diego at the end of October.

    - Mary Tran will present on "The Prevalence of Methicillin Resistance Among Staphylococcus Aureus Infections," and on "The Occurrence of Complications for Ambulatory Surgery Services as Measured by Post-Procedure Hospital Admissions."

    - Brian Paciotti will present a poster entitled "Geographical Analysis of Ambulatory Care Sensitive Conditions Among Racial and Ethnic Groups in California," based on county information.

Utilization Trends Reports for Long-term Care Facilities and Hospitals: John Kriege, Acting Deputy Director, HID

The Annual Utilization Data Program is one of OSHPD's oldest programs. OSHPD collects data from numerous care settings, hospitals, long-term care facilities, clinics, home health agencies and hospices.

Historically, OSHPD has made the data from those reports available in a number of ways; Excel spread sheets and trend reports that can be downloaded from OSHPD's website. These reports are aggregate reports that can show, for instance, how many nursing homes are operating today versus ten years ago or how many facilities are non-profit versus for-profit.

There has been a lot of work done to improve the Annual Utilization Data program starting with the ALIRTS project which focused on getting the data submitted online in an expeditious and user-friendly manner and increasing the accessibility of that data. There are some very nice search functions included on the website so that an end user could, for example, look up a facility in a certain location, by bed type or by a certain type of service provided.

OSHPD started its data warehouse back in 2002. It was started just after OSHPD started collecting inpatient discharge data from MIRCal, then in 2005 emergency department and ambulatory surgery data was added. The number of records reported yearly includes four million in-patient discharge records, two and a half million ambulatory surgery records and eight million emergency department records. Currently, in the data warehouse, the annual utilization data from the ALIRTS system has been added.

With all this information in the data warehouse and easily accessible, staff has been able to use reporting tools to begin generating a number of trends reports. Staff began with the primary clinic report with the goal of having the Primary Care Clinic Trend Report up on the website in November. Staff should have the other trend reports which include data up through 2007 completed by the end of the year and published to the website. Staff should have the 2008 data added by July 2009.

The system that staff is currently working with is a more automated system than what they have worked with in the past which will ensure that the trends reports are kept up to date.

Commissioner Karkia commended the work that has been done with respect to the trend reports in compiling, organizing and presenting such a large amount of data. Commissioner Karkia asked if this information could be used to create a facility scorecard in the future.

Manager Teague stated that the concept of a scorecard suggests that you are ranking the facilities in some attributes. This data is basic information about the facilities, such as how many beds a certain facility has. This does not indicate whether a particular facility is better or worse than another.

Commissioner Fine added that she did not think a scorecard was an appropriate use of the data. There are many factors that come into play which explain why a facility has

particular outcomes, it is not reflected by number alone. Certain patient populations do not start with good prior care; they have patterns of behaviors that are not equal. "I don't think it is our role to supply a scorecard. And I would like that to be in the record."

Hospital Fair Pricing Policies: Kenny Kwong, Manager; Mike Nelson, Compliance Auditor, Accounting & Reporting Systems Section

Mr. Kwong stated that after AB 774's passage in 2006, staff spent most of 2007 developing regulations and getting those regulations approved. A website was created for submission of required documents which included:

- Charity care policy
- Discount payment policy
- Eligibility procedures for policies
- Review process
- Application form

Reporting began January 2008, and staff is pleased to relay to the Commission that at this point there has been a one hundred percent submission rate. Via the regulation process, OSHPD requires that all documents must be submitted on-line in Word or PDF format.

The individuals covered by AB 774 are patients whose family income is at or below 350 of the Federal Poverty Level (FPL). For example, a family of four, making about $72,000, would be at 350 percent of the FPL. At this level they are entitled to some type of discount, whether full or partial. In addition, uninsured patients or patients with high medical costs are also covered.

Eligible patients are not expected to pay an amount higher than that paid by Medicare, Medi-Cal, Healthy Families or other government programs. So, if a patient is eligible for the hospital's discount payment policy, they should not expect to pay more than approximately 28 cents on the dollar for their hospital bill.

Mike Nelson gave a demonstration of the consumer website for the Commission. The consumer site was released on January 14, 2008:

- Focuses on low-income, uninsured patients seeking free care or payment discounts
- Features a simple, easy-to-use search engine
- Includes FPL table, glossary and frequently asked questions
- Site users can:
    - View summary and detail information about fair pricing policies
    - View and download policies, procedures, and application forms

Demonstration of Online Access to Hospital & LTC Annual Financial Reports: Kenny Kwong, Manager; Kyle Rowert, Hospital Unit Supervisor

The Annual Financial Data Programs is one of the oldest data programs at OSHPD dating back to the early 1970's. At that time, there were discussions being held about budget and rate review for hospitals which lead to the realization that a uniform accounting and reporting system was needed to do those reviews. The budget rate review was never enacted but the accounting and reporting requirements for hospitals began in 1971, and for long-term care facilities in 1974. Reporting began for hospitals in 1975 and for long-term care facilities in 1977. Currently, approximately 450 hospitals and 1,250 long-term care facilities submit reports annually.

Report includes:

- General information and services inventory
- Utilization statistics
- Financial statements
- Trial balance revenue/expense worksheets
- Payroll and labor information
- Cost allocation

A number of changes are being made to Financial Data Program to re-engineer how annual financial reports are processed including developing a SQL relational database, migrating main-frame data to a new database, development of business requirements and placing the annual reports on the Internet.

Kyle Rowert, Hospital Unit Supervisor, gave a demonstration of the annual financial disclosure report website for the Commission.

Currently, hardcopy reports are available for $7.50 per hospital and $6.00 per long-term care report and can be ordered by phone, e-mail, fax or letter. These reports have a 1-2 week turnaround time.

The new process being implemented will provide free, on-line access to reports. The submitted reports will be available 2-4 days after receipt. PDF-formatted reports will be available from 2002 for hospitals and 2001 for long-term care facilities. The website will be updated twice a week and will include instructions for navigating the site and frequently asked questions.

Report on the Planned Release of AHRQ Inpatient Mortality Indicators (IMIs): Brian Paciotti, PhD, Research Scientist, Healthcare Outcomes Center (HOC)

Dr. Paciotti stated that at the August CHPDAC meeting, Dr. Parker had given a detailed presentation on the Agency for Healthcare Research and Quality Inpatient Mortality Indicators (IMIs) which included the following points:

- Includes 15 "procedures and conditions for which mortality has been shown to vary across institutions and for which there is evidence that high mortality may be associated with poorer quality of care"

- Uses patient discharge data
- Software available without cost
- APR-DRG Risk model is no longer a 'black box'
- At least 9 states and 11 organizations had reported IMIs by the end of 2007

OSHPD has decided to report on eight of these IMIs which include:

- Acute Stroke
- Gastrointestinal (GI) Hemorrhage
- Hip Fracture
- Esophageal Resection
- Pancreatic Resection
- Craniotomy
- Carotid Endarterectomy
- Percutaneous Transluminal Coronary Angioplasty (PTCA)

Since Dr. Parker presented in August, staff have run the AHRQ indicators for up to a year with the purpose of ensuring that these are indeed good indicators. We are currently preparing a 30-day hospital review period and have prepared a press release.

In the hospital review period, hospitals will receive their patient data if they choose and they will be given the opportunity to provide comments. The hospitals will receive their risk-adjusted mortality rates, the number of their patients and whether they are in the better or worse category.

Dr. Carlisle stated that this is important because it gives hospitals time to verify the information. There might be a dispute about whether a patient actually died or did not die, did a patient actually have this particular diagnosis, or did they really undergo this procedure. This gives hospitals the opportunity to review and send comments back to the Office.

Discussion of Possible Name Change for the Health Data and Public Information Committee (HDPIC): Vito Genna, CHPDAC Chairperson

Chairperson Genna began the discussion by explaining that the HDPIC serves a very important function to the Commission. The HDPIC does some of the often very detailed work, then the Committee comes back to the Commission with a report which helps the Commission focus on the decision making process. The HDPIC has a great deal of expertise in the areas of such as medical records and accounting which lend themselves to the technical assistance the Committee provides.

Chairperson Genna outlined the history of how the Committee came to be created and explained some of the types of issues that the members have been tasked with and charge the Committee has operated under.

After some discussion and comments from a number of Commissioners, and some words of guidance from Chief Counsel Wied, it was agreed that this topic should be added for discussion to the agenda of the January HDPIC meeting. Chairperson Genna

agreed, adding that he would like to see the Commission have an additional opportunity to address the topic of changing the name of the HDPIC at a future meeting.

Closing Comments:

Next Meeting: The next meeting will be held on December 12, 2008 in San Francisco, California.

Adjournment: The meeting adjourned at 2:03 p.m.

Pending Items:

1. Chairperson Genna requests that after the HDPIC has the opportunity to examine their charge and name with the aim of possibly changing the name, that the resulting information be reported to the Commission.
2. Commissioner Karkia requested that the Office invite Herb Schultz to speak on the Governor's healthcare reform proposal.
3. Commissioner Karkia requested a special session of the CHPDAC to discuss various issues pertaining to the functions of the Commission.
4. With all this information in the data warehouse and easily accessible, staff has been able to use reporting tools to begin generating a number of trends reports. Staff began with the primary clinic report with the goal of having the Primary Care Clinic Trend Report up on the website in November. Staff should have the other trend reports which include data up through 2007 completed by the end of the year and published to the website. Staff should have the 2008 data added by July 2009.